

PRIOR TO FINAL  
Revision 8 Aug 62

EARLY RETIREMENT PROPOSAL

BRIEFING OUTLINE FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

1. Purpose of proposed bill: To improve CIA's retirement program by authorizing the establishment of a system corresponding to the Foreign Service system for certain limited numbers of employees.

2. Problem: Civil Service retirement system applicable to Agency employees makes inadequate provision for those officers whose careers must be shortened because of the special requirements and conditions of Agency service.

3. Discussion:

a. Need for careerists: CIA requires people possessing unique qualifications and motivation who must be trained and developed through service with the Agency in highly specialized fields of endeavor. Moreover, these people are obligated to serve when and where they are needed at the Agency's direction, as are members of the military and the Foreign Service.

b. Requirements and conditions of service which shorten careers:

(1) Stresses and strains of service in foreign intelligence operations require a high degree of such youthful characteristics as vigor, vitality, endurance, and adaptability.

(2) The utility of an officer in overseas service is inhibited or destroyed if his cover is "blown." However, the longer an officer serves under cover, the greater the risk that his true employment affiliation will be inadvertently revealed to or inferred by hostile parties.

(4) "Motivational exhaustion" limits the individual's ability and desire to remain in overseas operations for a full career span. It is defined as a gradual lessening of interest and enthusiasm which results from impingements on personal and family life occasioned by the transient nature of assignments, complications and restrictions of "living one's cover," and intrusions on family life of performing cover and Agency jobs concurrently.

(5) Health hazards result in physical impediments affecting an officer or a member of his family which limit or preclude overseas service.

c. Need to adjust to changing personnel requirements: The dynamic nature of intelligence operations produces sudden and sometimes radical shifts in the types of personnel required. Completion of a mission of a temporary nature or a shift in emphasis or direction of operations may result in an overabundance

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of officers who are skilled in a relatively narrow field of operations. Such changes cannot always be met by retraining of the individuals whose primary qualifications thus become obsolete or unneeded and they become "occupationally surplus." For example, the responsibility of the Agency for covert cold war functions and continuance of counter-insurgency activities require the Agency to employ numbers of individuals whose skills are not necessarily adaptable to full-term careers.

d. Adequate provision for retirement in a program of managed attrition:

As a result of the factors described above, the Agency finds it increasingly necessary to impose manpower controls to ensure appropriate alignment as to age, qualifications, and other characteristics of the body of employees engaged in foreign intelligence operations. Imbalances should be and have been corrected by the reassignment within the Agency of those officers who cannot or should not continue in such work. However, encouraged and induced attrition will also be necessary. Intelligence skills are not readily transferrable to other fields of work and careerists who must enter other fields encounter difficulty in maintaining a salary level comparable to that attained during their intelligence careers. Therefore, a program of managed attrition must be linked to a system of retirement benefits which are sufficient to induce an individual to take the risk of being separated before serving a full-term career.

4. Adaptability of Foreign Service retirement system to Agency's needs: In addition to the special requirements of cover and security which are applicable to Agency employment, those individuals engaged in foreign intelligence operations are subject to essentially the same conditions of service which were the basis for the Foreign Service retirement system. [REDACTED]

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5. Application of new retirement system to Agency employees: The careers of more than [REDACTED] employees are directly oriented to intelligence operations abroad. At any moment in time, approximately [REDACTED] are serving abroad while the balance are at headquarters as replacements. The proposed retirement system would be applied only to (1) careerists whose duties and responsibilities are predominantly concerned with the conduct and support of intelligence operations in foreign countries or with covert support in the U.S. of such operations under comparable conditions, and to (2) careerists whose duties are so specialized that they are placed at a special disadvantage when required to seek other employment. It is estimated that a maximum of [REDACTED] employees will meet these criteria and Civil Service retirement will remain the retirement system for all other employees.

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